

July 14, 2021



Public Affairs
Council

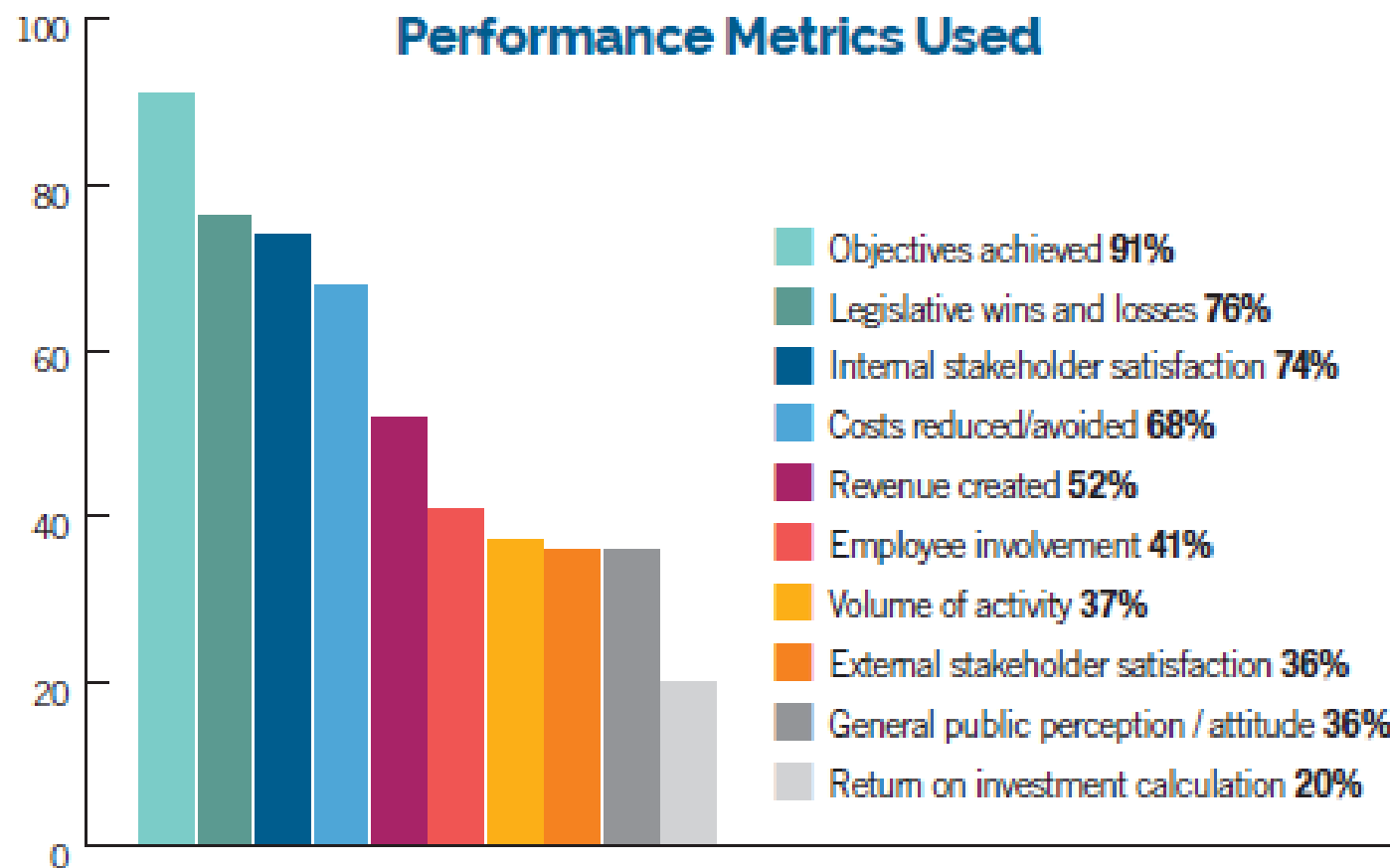
Proving the Value of SGR: Additional Tips

Tip 1: Utilize most common measurement tools

State of Corporate Public Affairs

[Pac.org/publications](https://pac.org/publications)





Measurement Musts:

1. Actually document!

- Include improvement metrics.
- Tie to organization's revenue, mission statement, or strategic goals.
- Consider external benchmarking.

2. Stakeholder satisfaction:

- Excellent tool for associations in particular.
- Document engagement, interactions, use stakeholder mapping, surveys, etc.
- Tie to dollar amounts whenever possible. (Membership attraction, retention, etc)

3. ROI:

- Excellent tool for C-suite etc, but only use if accurate data is available
- Descriptive or formula

Example	Value Statement	Investment Required	Company Payback
Regulatory Advocacy to Gain Market Access	If the agency relaxes its interpretation of the law based on input from the company and our industry, we expect to expand our market sufficiently to boost revenue by 12%, assuming we capture our national average market share.	We will invest \$5 million to deliver this advocacy program in concert with our trade association. (Despite only a 60% probability of success this year, the payback potential of this initiative is sufficient to justify the cost and the risk.)	The decision to spend an extra \$1 million for research on the employment and tax revenue benefits of market expansion gave us the ammunition we needed to win the debate. And we still hit the 12% target and achieved a 9:1 payback.

Simple ROI

Value

Investment

ROI: +\$60,000 for -\$20,000

ROI- 3:1

Value	Total
10,000	Tax credit
10,000	Revenue gained
30,000	Revenue protected
	\$\$ awarded
10,000	Capital created
60,000	Total

PA Investment	Total
5,000	Travel cost
5,000	Organizational memberships
10,000	Consulting fees
	Partnerships
	Sponsorships
20,000	Total



Tip 2: Prioritize Measuring Over Counting



Measuring > Counting

1. Counting vs. Measuring

- Internal/local reference point vs. global reference
- Where we are vs. where we're going
- What data is vs. what it means

2. Outputs vs. Outcomes

- Inputs and outputs are activities
- Outcomes = value produced
- It's about moving the dial

Inputs	Outputs	Outcomes
5 newsletters; on time; on budget	Readership	Impact on behavior; increased understanding of issues
PA Web page up and current	Hits	Change in attitudes and awareness
# events organized	Attendance	Enhanced relationships
# news releases; placed stories	Coverage, recall	Changed opinions/ behavior of stakeholders
Develop sustainability report	Readership; awards	Impact on business behavior; reputation
# meetings with officials	Responses	Influence on policy

Tip 3: Spell out what is unique about state government relations



5 unique things about SGR to track and communicate

1. State and local policies are contagious and costly
2. State legislatures are many times more productive than Congress
3. State and local government relations is accessible
4. State and local elected officials often move to higher levels
5. SGR can have a better ROI than federal SGR

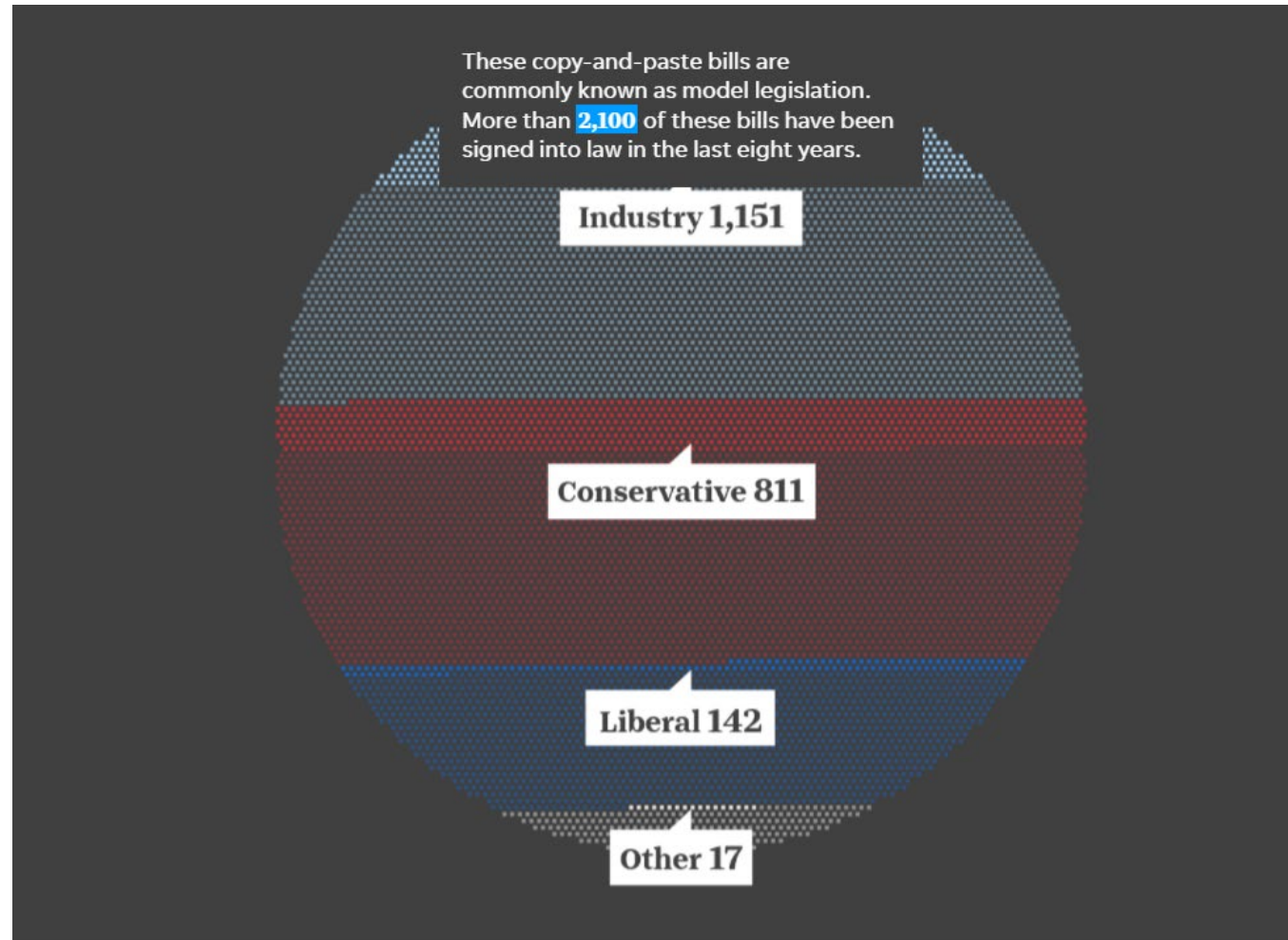
State and Local Policies are Contagious

Tobacco 21

- In 2005, Needham, Massachusetts became the 1st city to pass legislation raising the tobacco age to 21.
- Eventually, over 530 cities & counties passed Tobacco 21 legislation...including New York City in 2013
- In 2015, Hawaii became the first state to pass Tobacco 21
- As of 2018, 6 states had passed Tobacco 21
- In 2019, that number jumped to 19
- On December 20, 2019, federal legislation was signed into law raising the minimum legal sales age from 18 to 21 nationwide.



State and Local Policies are Contagious



State and Local Policies are Costly

Jurisdiction	Issue	Status & Outcome	Position	Actions Taken	Business Impact
Direct Selling					
Arkansas SB 176	Pyramid Schemes	Passed - Favorable	Support	Grassroots letter campaign; 10 constituents sent letters	4,043 IBCs \$ 6.2M Wholesale
California AB 5	Independent Contractor Status	Pending - Favorable	Support	3 meetings with committee members	48,898 IBCs \$ 74.5M Wholesale
Connecticut SB 955	Independent Contractor Status	Pending	Support		2,628 IBCs \$ 4.9M Wholesale
Indiana SB 231	Independent Contractor Status	Passed - Favorable	Support		12,723 IBCs \$ 19.7M Wholesale
Iowa SB 4 / HB 262	Pyramid Schemes	Failed	Support		6,449 IBCs \$ 9.9M Wholesale
Oregon SB 679	Independent Contractor Status	Pending	Support		5,889 IBCs \$ 9.7M Wholesale
Pennsylvania	Pyramid Schemes	Pending - To be introduced	Support		14,846 IBCs \$ 24.1M Wholesale
Product					
California AB 60	Sunscreen	Failed - Favorable	Oppose		48,898 IBCs 19 SKUs containing Oxybenzone and Octinoxate Wholesale CA Total Section 1: \$75.7 % of Total Sales: 9%

States are more productive

Legislation moves faster and is passed at higher frequencies at the **state** level than the federal level.

In 2016, state legislatures introduce 23 times the number of bills than the U.S. Congress does, totaling an average 128,145 bills per year and 3.1 million words per day while in session.

Between January 1 and June 30, 2016, state legislatures introduced 63,018 bills.

The 10 states featured here introduced the greatest amount of legislation during that time.



State	Number of Bills Introduced
New Jersey	6,347
New York	4,688
Illinois	3,481
Montana	3,066
Mississippi	2,759
Maryland	2,635
Hawaii	2,387
Tennessee	2,377
Georgia	2,241
Rhode Island	2,070

State and local elected officials often move to higher levels

1. Over the past 14 years, the number of former state legislators in Congress has ranged from 48-51%*
2. As many as 25% of Governors have served as Lt Govs**

***NCSL**

***NLGA**

SGR Has Better ROI

Remember the Value Proposition of SGR!

State Government Relations:

1. Shapes national public policy
2. Shapes public perception
3. Preserves and maintains reputation
4. Creates market and revenue opportunities/advantages
5. Reduces operating costs
6. Provides freedom to operate
7. Provides member, employee, and stakeholder satisfaction





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